

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In re:

**Federal-State Joint Board on Universal
Service Seeks Comment on Review of the
Definition of Universal Service**

CC Docket No. 96-45

**COMMENTS OF ACUTA, INC.: THE ASSOCIATION FOR
TELECOMMUNICATIONS PROFESSIONALS IN HIGHER EDUCATION**

AND

**NACUBO: THE NATIONAL ASSOCIATION OF COLLEGE AND UNIVERSITY
BUSINESS OFFICERS**

ACUTA, Inc., The Association for Telecommunications Professionals in Higher Education, founded in 1975, is the national non-profit association representing the telecommunications professionals who are responsible for managing telecommunications services on college and university campuses. ACUTA's members come from over 870 colleges and universities throughout the United States, Canada, and other countries. These institutions, range from smaller colleges with several hundred students to major research and teaching institutions with enrollments of 25,000 students or more. The colleges and universities represented by ACUTA are primarily classified as business users, although some members are

also classified as residential customers based upon the state's applicable rules classifying student housing.

NACUBO, The National Association of College and University Business Officers, Inc., founded in 1962, is a nonprofit professional organization representing chief administrative and financial officers at more than 2,100 colleges and universities across the country. Over two-thirds of all institutions of higher learning in the United States are members of NACUBO. NACUBO's mission is to promote sound management and financial practices at colleges and universities.

The Federal-State Joint Board on Universal Service ("Joint Board") has sought comment regarding the core services that should fall within the definition of universal service.¹ ACUTA and NACUBO fully support the laudable goals of the universal service program, especially providing access to telecommunications services for primary and secondary schools and libraries. Due to the great diversity of our membership, ACUTA and NACUBO have no specific position on the exclusion or inclusion of additional "core services" in the universal service program.²

Importantly, ACUTA and NACUBO, however, urge the Joint Board and the Federal Communications Commission ("FCC" or "Commission") carefully to consider whether any expansion of the core services satisfies the four criteria outlined in section 254(c)(1) the

¹ Federal-State Joint Board on Universal Service Seeks Comment on Review of the Definition of Universal Service, CC Docket 96-45, FCC 01-J-I, August 21, 2001 (Public Notice).

² There are currently nine core services eligible for universal service support: single-party services, voice grade access to the public switched telephone network, dual tone multi-frequency signaling or its functional equivalent; access to emergency services; access to operator services; access to interexchange service; access to directory assistance' and toll limitation services for qualifying low-income consumers.

Telecommunications Act of 1996: (1) are the services essential to education, public health, or public safety; (2) have the services through the operation of market choices by customers, been subscribed to by a substantial majority of residential customers; (3) are the services being deployed in public telecommunications networks by telecommunications carriers; and (4) are the services consistent with the public interest convenience, and necessity.³

Such a careful assessment is imperative in light of the cost implications of any modification to the list of core services. In this regard, the Commission has specifically asked commenters to “estimate the annual cost of any proposed modifications in the list of core services, and explain the derivation of their estimates.”⁴ ACUTA and NACUBO ask the FCC and the Joint Board to assess the impact on end-users of any expansion or modification of the list of core services, and strongly caution that any alteration to the universal service program should not increase costs to end-users.⁵ Moreover, any review of the core services and the costs of those services must also include a review of the methods and amounts of cost recovery by carriers. This review is necessary because, as the Commission is aware, almost all carriers have chosen to recover their universal service contributions from their customers.

ACUTA and NACUBO also reiterate their concern, expressed earlier this year to the

³ 47. U.S.C. § 254(c)(1)(A)-(D).

⁴ Public Notice, at 2.

⁵ *See Federal-State Joint Board on Universal Service: Multi-Association Group (MAG) Plan for Regulation of Interstate Services of Non-Price Cap Incumbent Local Exchange Carriers and Interexchange Carriers*, 2001 FCC LEXIS 4953 (May 23, 2001)(Fourteenth Report and Order, Twenty Second Order on Reconsideration, and Further Notice of Proposed Rulemaking) (“Thus, in crafting universal service policies and programs, the Commission must strike a fair and reasonable balance among the goals and principles of the Act, and consider both the adequacy of support and the burden on contributors.”) ; *see also Alenco Communications, Inc. et al. v. FCC, et al.*, 201 F.3d 608, 620 (4th Cir. 2000)(“Moreover, excessive funding may itself violate the sufficiency requirements of the Act. Because universal service is funded by a general pool subsidized by all telecommunications providers--and thus indirectly by the customers--excess subsidization in some cases may detract from universal service by causing rates unnecessarily to rise, thereby pricing some consumers out of the market.”)

Commission, that there is not a uniform manner in which carriers pass universal service costs to their customers. For many carriers, the supposed pass-through charge is considerably higher than the amounts assessed the carrier by the FCC. The Commission should act promptly to require carriers to use a uniform description for charges designed to recover the carrier's universal service contribution and to limit those charges to the actual amount of their contribution requirement.⁶

ACUTA and NACUBO thank the Commission for the opportunity to submit these comments on an issue of great importance to our members throughout the United States. ACUTA and NACUBO support the Commission in its review of the definition of universal service and its core services, and we trust that the Commission will fully consider the cost implications of its decision on consumers.

⁶ Comments of ACUTA, *In the Matters of Federal-State Joint Board on Universal Service; 1998 Biennial Regulatory Review – Streamlined Contributor Reporting Requirements Associated with Administration of Telecommunications Relay Service, North American Numbering Plan, Local Number Portability, and Universal Service Support Mechanisms; Telecommunications Services for Individuals with Hearing and Speech Disabilities, and the Americans with Disabilities Act of 1990; Administration of the North American Numbering Plan and North American Numbering Plan Cost Recovery Contribution Factor and Fund Size; Number Resource Optimization; Local Number Portability*. (June 25, 2001).

Respectfully submitted,

By: _____

On behalf of ACUTA and NACUBO
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